

statement include the financial information required in this paragraph (c) with respect to a particular entity.

(d) *Reporting and disclosure under ERISA.* (1) For any employees' health benefits plan that includes an M+C organization in its offerings, the M+C organization must furnish, upon request, the information the plan needs to fulfill its reporting and disclosure obligations (with respect to the particular M+C organization) under the Employee Retirement Income Security Act of 1974 (ERISA).

(2) The M+C organization must furnish the information to the employer or the employer's designee, or to the plan administrator, as the term "administrator" is defined in ERISA.

(e) *Loan information.* Each organization must notify HCFA of any loans or other special financial arrangements it makes with contractors, subcontractors and related entities.

(f) *Enrollee access to information.* Each M+C organization must make the information reported to HCFA under § 422.502(f)(1) available to its enrollees upon reasonable request.

§ 422.520 Prompt payment by M+C organization.

(a) *Contract between HCFA and the M+C organization.*

(1) The contract between HCFA and the M+C organization must provide that the M+C organization will pay 95 percent of the "clean claims" within 30 days of receipt if they are submitted by, or on behalf of, an enrollee of an M+C private fee-for-service plan or are claims for services that are not furnished under a written agreement between the organization and the provider.

(2) The M+C organization must pay interest on clean claims that are not paid within 30 days in accordance with sections 1816(c)(2)(B) and 1842(c)(2)(B).

(3) All other claims must be approved or denied within 60 calendar days from the date of the request.

(b) *Contracts between M+C organizations and providers and suppliers.* Contracts or other written agreements between M+C organizations and providers must contain a prompt payment provision, the terms of which are developed

and agreed to by both the M+C organization and the relevant provider.

(c) *Failure to comply.* If HCFA determines, after giving notice and opportunity for hearing, that an M+C organization has failed to make payments in accordance with paragraph (a) of this section, HCFA may provide—

(1) For direct payment of the sums owed to providers, or M+C private fee-for-service plan enrollees; and

(2) For appropriate reduction in the amounts that would otherwise be paid to the organization, to reflect the amounts of the direct payments and the cost of making those payments.

§ 422.524 Special rules for RFB societies.

In order to participate as an M+C organization, an RFB society—

(a) May not impose any limitation on membership based on any factor related to health status; and

(b) Must offer, in addition to the M+C RFB plan, health coverage to individuals who are members of the church or convention or group of churches with which the society is affiliated, but who are not entitled to receive benefits from the Medicare program.

Subpart L—Effect of Change of Ownership or Leasing of Facilities During Term of Contract

SOURCE: 63 FR 35067, June 26, 1998, unless otherwise noted.

EDITORIAL NOTE: Nomenclature changes to subpart L appear at 63 FR 35106, June 26, 1998.

§ 422.550 General provisions.

(a) *What constitutes change of ownership—*

(1) *Partnership.* The removal, addition, or substitution of a partner, unless the partners expressly agree otherwise as permitted by applicable State law, constitutes a change of ownership.

(2) *Unincorporated sole proprietor.* Transfer of title and property to another party constitutes change of ownership.

(3) *Corporation.* (i) The merger of the M+C organization's corporation into another corporation or the consolidation of the M+C organization with one